

Minutes of Meeting
Health Services Council
Project Review Committee-II

DATE: 23 August 2007 TIME: 2.30PM

LOCATION: Health Policy Forum

ATTENDANCE:

Committee II: Present: Victoria Almeida, Eqs. (Vice Chair), Wallace Gernt, Sen. Catherine Graziano, RN, Ph.D., Robert Hamel, Denise Panichas, Robert Quigley, DC (Chair), Larry Ross, Reverend David Shire (Secretary)

Not Present: Rosemary Gallogly, Maria Gil, Robert Ricci, Robert Whiteside

Excused: Raymond Coia, Esq., Gary J. Gaube

Committee I: Present: Amy Lapierre

Staff: Valentina D. Adamova, Michael K. Dexter, Joseph G. Miller

Public: (Attached)

1. Call to Order, Approval of Minutes, Conflict of Interest Forms and Time Extension for the Minutes Availability

The meeting was called to order at 2:35 PM. The Chairman noted that conflict of interest forms are available to any member who may have a conflict. The Chairman requested a motion for the extension of time for the availability of minutes pursuant to the Open Meetings Act. A motion was made, seconded, and passed by six in favor and none opposed (6-0) that the availability of the minutes for this meeting be extended beyond the time frame provided for under the Open Meetings Act. Those members voting were: Gernt, Graziano, Hamel, Quigley, Ross, Shire.

2. General Order of Business

Ms. Almeida noted for the record that she is recusing herself with regards to the application of Radius Ninety-Nine Operating, LLC for a change in effective control of Hillside Health Center, a 165-bed nursing home, located at 99 Hillside Avenue in Providence.

The first item on the agenda was the application of Radius Ninety-Nine Operating, LLC for a change in effective control of Hillside Health Center, a 165-bed nursing home, located at 99 Hillside Avenue in Providence. Staff noted that the application is regarding a

nursing home that went through a receivership process. Staff noted that the facility would need to be certified by CMS in order to serve Medicare and Medicaid residents.

Mr. Zubiago, legal counsel to the applicant, stated that the applicant was a winning bidder in the receivership process and was approved by the Court to acquire the license and assets of Hillside Health Center. He noted that the applicant operates Waterview Villa nursing home in Rhode Island and 9 facilities in Massachusetts and has a successful track record. The acquisition cost of Hillside Health Center is \$5.5 million. He stated that the applicant meets the review criteria and that applicant's facilities are either JACHO accredited or pending accreditation, have no regulatory problems, the applicant has been appointed in Massachusetts to manage a bankrupt facility, and all facilities serve Medicare and Medicaid populations.

To questions regarding the applicant's financial viability, Mr. Zubiago stated that financial documents can be provided and that the applicant has several millions in reserve for this project. Mr. Ross requested information for all of applicant's facilities and the outstanding loan payment information.

Mr. Zubiago noted that the Division of Facilities Regulations does not have the funds to conduct a review in order for Hillside Health Center to obtain CMS certification. He noted that the facility is not proposed to become operational until 2008 and that the applicant will work

towards getting the necessary certification surveys conducted. He requested that the review not be held up due to this situation.

To the concerns of the Committee, staff noted that Mr. Rusin, Chief of Facilities Regulations, will provide an advisory on this issue.

Ms. Lapierre questioned the payor mix, reimbursement and occupancy rates provided in the application. She noted that it was above the statewide averages. The applicant was requested to provide more information.

The applicant noted that 40 beds would be dedicated for short stay services. With regards to the financial viability, the applicant discussed the funds available for this proposal. Staff requested that the applicant break down the funds for this proposal by use and source, identify the components of the \$2.6 million inequity and whether the revolving line of credit is the same as the proposed unencumbered line of credit. Staff noted that the applicant is required to document sufficient evidence of working capital for the facility.

The Chairman requested that applicant's track record and experience and itemized list of renovations be provided in writing. Mr. Ross requested that the applicant provide an organizational chart for all of its facilities, amortization schedule for the loans, and document the Medicare rate. Rev. Shire requested that the applicant provide information with regards to culture change.

Mr. Gernt noted that the facility had previously agreements with the community. The applicant stated that it plans on being involved with the community. Staff noted that they would look into any previous condition of approval for this facility.

Staff noted that based on the information provided from Massachusetts, the applicant's facilities are in substantial compliance.

There being no further business the meeting was adjourned at 3:45 PM.

Respectfully submitted,

Valentina D. Adamova, MBA